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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

12 THE UNITED STATES OF AMERICA,
13 Plaintiff,
14 v.
15 ORR WATER DITCH COMPANY, et
16 al.,
17 Defendants.

IN EQUITY
Case No. 3:73-CV-00003-MMD

AGREEMENT OF FUNDING PARTIES FOR APPROVAL OF
TRUCKEE RIVER OPERATING AGREEMENT BUDGET FOR
FISCAL YEAR OCTOBER 1, 2023, TO SEPTEMBER 30, 2024

Pursuant to Section 2.C.3 of the Truckee River Operating Agreement dated September 6, 2008, the required approval is needed of a majority of the three Funding Parties, to wit: The United States of America, the State of California and the State of Nevada.

The Federal Water Master, Chad Blanchard, the designated Administrator ("Federal Water Master"), herein, submits to the Court, that the Court previously approved by Order signed January 19, 2023, the "tentative" budget for the fiscal year October 1, 2022, to September 30, 2023. This tentative budget has been updated and the Federal Water Master now submits this budget to the Court as his "proposed" budget for the fiscal year October 1, 2023, to September 30, 2024. This Agreement is signed by the required majority of the Funding Parties and the proposed budget is

1 attached hereto as Exhibit "A". The proposed budget is the sum of \$1,700,000.00, which sum will
2 be paid from the Funding Parties per their previously agreed percentages as follows:

3	United States of America	\$ 680,000.00
4	State of Nevada	680,000.00
5	State of California	<u>340,000.00</u>
		\$1,700,000.00

6 The Federal Water Master is asking for the Court to approve this proposed budget.

7 The Federal Water Master, Chad Blanchard, also submits for approval by the Funding Parties,
8 his proposed tentative budget for the Truckee River Operating Agreement for fiscal year October 1,
9 2024, to September 30, 2025, as Exhibit "B" attached hereto. The projected budget is the sum of
10 \$1,850,000.00, which sum will be paid from the assessment of the Funding Parties per their
11 previously agreed to percentages as follows:

12	United States of America	\$ 740,000.00
13	State of Nevada	740,000.00
14	State of California	<u>370,000.00</u>
		\$1,850,000.00

15 The Federal Water Master also submits for approval by the Funding Parties, his proposed
16 tentative budget for the fiscal year October 1, 2025, to September 30, 2026, as Exhibit "C" attached
17 hereto. The projected budget is the sum of \$2,000,000.00, which sum will be paid from the
18 assessment of the Funding Parties as follows:

19	United States of America	\$ 800,000.00
20	State of Nevada	800,000.00
21	State of California	<u>400,000.00</u>
		\$2,000,000.00

22 In addition, TROA section 7(A)(2)(b)(3) provides "[i]n addition to any fees that may be
23 charged by United States, [Washoe County Water] Conservation District may impose fees [Annual
24 Fee] for its calculated annual cost of operation and maintenance of Boca Dam and Reservoir
25 performed in accordance with this agreement".

26 The Conservation District shall provide this information to the Federal Water Master on
27 November 1, 2023, and continue to provide the information by November 1 of each subsequent
28 year.

1 The Average Proportion of Flow for the Annual Fee shall be calculated by the Federal Water
2 Master based on a running average as provided in section 7(A)(2)(b)(3), beginning with the water
3 year ending September 30, 2021.

4 No later than January 15, 2024, Federal Water Master's Annual Fee calculations shall be
5 communicated to the Parties.

6 The Parties agree to pay the Federal Water Master for their apportioned share of the Annual
7 Fee no later than April 30 each year based upon the latest calculation of the Annual Fee as
8 determined by the Federal Water Master.

9 The second Annual Fee has been calculated to be \$87,986.03 (Exhibit "D") and shall be paid
10 by the Parties no later than April 30, 2024, as follows:

United States of America	\$39,499.60
State of Nevada	\$35,194.41
State of California	<u>\$13,292.02</u>
Total Annual Fee	\$87,986.03

14 The Federal Water Master shall distribute the Annual Fee collected for the Boca Account to
15 the Conservation District within 30 days upon receipt of all funds.

16 The Federal Water Master shall include an accounting of fees collected and distributed in
17 the Boca Account in his annual audited financial report to be filed with this Court.

18 These proposed tentative budgets are designed to give the Parties notice, and ample time to
19 prepare for future budgets for the Truckee River Operating Agreement and the Water Master
20 proposes to continuously provide two years of "tentative" budgets along with the "proposed" current
21 budget. Signatures to this Agreement are not bound by these budgets, as costs and expenses may
22 vary from year to year as circumstances may change, and actual budgets are submitted each year.
23 Any and all surpluses of income over expenses shall be held in reserve by the Federal Water Master
24 to be used for any budget short falls or unanticipated expenses.

25 The Federal Water Master, Chad Blanchard, also submits to the Court for its approval the
26 audited Financial Report for Administration of the Truckee River Operating Agreement filed for the
27 fiscal year October 1, 2022, to September 30, 2023.

28 This Agreement may be executed in two or more counterparts (including by facsimile or by

1 an electronic scan delivered by electronic mail), each of which shall be deemed an original, but all
2 of which together shall be considered one and the same agreement, and shall become effective when
3 counterparts have been signed by the majority of the Funding Parties hereto and delivered to the
4 other Funding Parties, it being understood that the majority of the Funding Parties need not sign the
5 same counterpart.

6 By executing this document, the parties hereby give their approval of the Budget as
7 submitted and submit the same to the Court for its approval.

8 DATED THIS 29th DAY OF DECEMBER 2023.

9
10 **U.S. DISTRICT COURT WATER MASTER**

11 By: 
12 CHAD BLANCHARD

13
14 **GUILD, GALLAGHER & FULLER, LTD.**

15 By: 
16 JOHN K. GALLAGHER, ESQ.
17 Nevada State Bar No. 956
18 PATRICK H. GALLAGHER, ESQ.
19 Nevada State Bar No. 14875
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Reno, NV 89501
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21 *Attorneys for U.S. District Court Water Master*

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UNITED STATES OF AMERICA

1 **UNITED STATES OF AMERICA**

2 By: _____

4 Print Name: _____

5 Title: _____

5 Date: _____

8 **STATE OF NEVADA**

10 By: _____

11 Print Name: _____

12 Title: _____

12 Date: _____

14 **STATE OF CALIFORNIA**

16 By: _____ 

17 Print Name: _____

18 Title: _____

18 Date: _____

Juan Escobar

Principal Engineer, WR

1/27/2024

20 **APPROVED BY THIS COURT**

22 Date: _____

24 By: _____

United States District Judge

1 UNITED STATES OF AMERICA

3

4 Print Name:
5 Title:
Date:

8 STATE OF NEVADA

10 By:

11 Print Name: ADAM SULLIVAN
12 Title: STATE ENGINEER
12 Date: January 5, 2024

STATE OF CALIFORNIA

By:

18

APPROVED BY THIS COURT

Date: March 20, 2024

By:

United States District Judge

EXHIBIT LIST

- A. Proposed Budget for the Truckee River Operating Agreement for the Fiscal Year October 1, 2023, to September 30, 2024.
- B. Proposed Tentative Budget for the Truckee River Operating Agreement for Fiscal Year October 1, 2024, to September 30, 2025.
- C. Proposed Tentative Budget for the Truckee River Operating Agreement for Fiscal Year October 1, 2025, to September 30, 2026.
- D. Proposed Budget for Boca Dam and Reservoir Account for Fiscal Year ending September 30, 2024.

Exhibit "A"

In Equity 3:73-cv-0003-MMD
 U.S. District Court - Chad J Blanchard, TROA Administrator
 Truckee River Operating Agreement Administration

Proposed Budget
Statements of Revenues, Expenses and Retained Earnings
Fiscal Year ending September 30, 2024

Budgeted Revenues

Administrative Fees - United States	\$680,000
Administrative Fees - State of Nevada	\$680,000
Administrative Fees - State of California	<u>\$340,000</u>
Total Budgeted Revenue	\$1,700,000

Budgeted Expenses

Computer Consulting, Software & Licensing	\$46,871
Depreciation	\$34,945
Habitat Restoration Fund	\$68,236
Hearing Officer	\$5,000
Payroll Taxes	\$63,312
Professional, Legal & Audit Fees	\$55,900
Rent, Telephone, Supplies & Overhead	\$112,580
RiverWare Modeling & Technical Consulting	\$40,000
Stream Gaging & Telemetry Data Retrieval	\$96,330
Travel & Conference	\$33,050
TROA Administration Staff & Benefits	<u>\$1,159,048</u>
Total Budgeted Operating Expenses	\$1,715,271

Budgeted Net Income (Loss)	-\$15,271
Item Not Affecting Working Capital (Depreciation)	<u>34,945</u>

Total Budgeted Working Capital Provided	\$19,674
Working Capital Applied To Budgeted Equipment Acquisitions	<u>-52,000</u>

Budgeted Increase (Decrease) in Working Capital	-\$32,326
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Exhibit "B"**In Equity 3:73-cv-0003-MMD**

U.S. District Court - Chad J Blanchard, TROA Administrator
 Truckee River Operating Agreement Administration

Tentative Budget

Statements of Revenues, Expenses and Retained Earnings
Fiscal Year ending September 30, 2025

Budgeted Revenues

Administrative Fees - United States	\$740,000
Administrative Fees - State of Nevada	\$740,000
Administrative Fees - State of California	<u>\$370,000</u>
Total Budgeted Revenue	\$1,850,000

Budgeted Expenses

Computer Consulting, Software & Licensing	\$51,558
Depreciation	\$37,391
Habitat Restoration Fund	\$73,695
Hearing Officer	\$5,500
Payroll Taxes	\$67,743
Professional, Legal & Audit Fees	\$61,490
Rent, Supplies & Overhead	\$119,961
RiverWare Modeling & Technical Consulting	\$42,000
Stream Gaging & Telemetry Data Retrieval	\$105,963
Travel & Conference	\$36,355
TROA Administration Staff & Benefits	<u>\$1,271,293</u>
Total Budgeted Operating Expenses	\$1,872,949

Budgeted Net Income (Loss)	-\$22,949
Item Not Affecting Working Capital (Depreciation)	<u>\$37,391</u>

Total Budgeted Working Capital Provided	\$14,442
Working Capital Applied To Budgeted Equipment Acquisitions	<u>-\$30,000</u>

Budgeted Increase (Decrease) in Working Capital	-\$15,558
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Exhibit "C"**In Equity 3:73-cv-0003-MMD**

U.S. District Court - Chad J Blanchard, TROA Administrator
 Truckee River Operating Agreement Administration

Tentative Budget

Statements of Revenues, Expenses and Retained Earnings
Fiscal Year ending September 30, 2026

Budgeted Revenues

Administrative Fees - United States	\$800,000
Administrative Fees - State of Nevada	\$800,000
Administrative Fees - State of California	<u>\$400,000</u>
Total Budgeted Revenue	\$2,000,000

Budgeted Expenses

Computer Consulting, Software & Licensing	\$54,136
Depreciation	\$39,261
Habitat Restoration Fund	\$79,590
Hearing Officer	\$5,775
Payroll Taxes	\$71,131
Professional, Legal & Audit Fees	\$64,565
Rent, Supplies & Overhead	\$122,777
RiverWare Modeling & Technical Consulting	\$44,100
Stream Gaging & Telemetry Data Retrieval	\$111,261
Travel & Conference	\$38,173
TROA Administration Staff & Benefits	<u>\$1,358,864</u>
Total Budgeted Operating Expenses	\$1,989,633

Budgeted Net Income (Loss)	\$10,367
Item Not Affecting Working Capital (Depreciation)	<u>\$39,261</u>

Total Budgeted Working Capital Provided	\$49,628
Working Capital Applied To Budgeted Equipment Acquisitions	<u>-\$33,000</u>

Budgeted Increase (Decrease) in Working Capital	\$16,628
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Exhibit "D"

In Equity 3:73-cv-0003-MMD

U.S. District Court - Chad J Blanchard, TROA Administrator
Truckee River Operating Agreement Administration

Proposed Budget

Administrator Statement of Annual Fees and Expenses

Fiscal Year ending September 30, 2024

BOCA DAM AND RESERVOIR ACCOUNT

Boca Dam and Reservoir Annual Fees

United States of America	\$39,499.60
State of Nevada	\$35,194.41
State of California	<u>\$13,292.02</u>
	\$87,986.03

Total Annual Fees

Budgeted Operating Expenses

Transfer to	
Washoe County Water Conservation District	<u>\$87,986.03</u>

Total Budgeted Operating Expenses **\$87,986.03**

Budgeted Net Income (Loss) **\$0.00**